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School Property Tax Control Board Meeting Minutes (revised) March 15, 2007

The monthly meeting of the School Property Tax Control Board was held on Thursday, March 15, 2007. The meeting was held in the Indiana Government Center South, Conference Center Room 2, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Roger Umbaugh, Bob Harris, Richard Besinger, Debbie Hineline, Joe Bronnert, Morris Mills, Chuck Nemeth, Denise Seger, and Judy Robertson, Administrative Officer.

Minutes and Discussion: February 15, 2007 meeting minutes.

Community School Corporation of Eastern Hancock County, Hancock County: Officials request approval of a lease rental agreement with maximum annual payments of \$850,000 for a term of 18 years. Total project costs are \$5,340,000. The tax rate impact is \$0.0849 with no new facility appeal expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. There was no application for a petition and remonstrance process. These projects are below the DLGF's 2007 construction benchmarks.

Present for the hearing was Ellen Welk, Superintendent; Debbie Spangler, Administrative Assistant; Nate Day, Financial Advisor; Cindy McLeod, Architect; John Davis, School Attorney; Tom Neff, Architect and Jane Herndon, Ice Miller.

- Project:**
- The west wing of the building housing the High School will be re-roofed.
 - The east wing of the building houses the Elementary School. The windows will be replaced.
 - The existing bleachers at the football field will be repaired.
 - The existing High School has two Science labs and one Science classroom. Renovations will decrease the prep space and create three equal size combination labs/classrooms. The labs will share prep rooms.
 - The existing courtyard is currently underutilized as a space. In-filling the courtyard will provide a large multipurpose space for many activities such as but not limited to, Physical Education and testing.
 - Space will be added to five existing classrooms, converting them to Kindergarten size spaces with restrooms. This will prepare the building for All Day Kindergarten. As an alternate bid, a multipurpose room will be added to replace two existing rooms that are being repurposed as Kindergarten rooms.
 - The pool mechanical system and gutters will be replaced.

- The existing entries will be modified to create secure points of entry for the public. New doors will prevent the general public from entering the building without checking into the offices first. The scope of renovation of the office areas is limited to that which is required to create the new secure entries.
- The existing P.E. lockers will be replaced.
- A greenhouse and barn will be added for Vocational Instruction.

Comments: The Superintendent said this project was developed as they began to plan the replacement of the high school roof. As they began to gather rough estimates they knew they could not use a general obligation bond, so it made sense to consider other projects that were on their planning list. In October 2006 they mailed postcards to every patron in the community inviting them to a meeting to discuss a new roof and to look at other needs. They had about 65 community members attend. The Board listened to community questions and comments as they went over their list of potential projects and talked about potential tax impact. With Mr. Day's help, they projected rates for home owners and farmers based on the average acreage of small and large farms in Hancock County using a \$3 million figure.

Everyone was told that their estimates were quite rough on the projects and tax impact. They wanted to hear community input before they defined the scope of the project. At the end of the meeting, the community asked that they pull a project together that included everything on the list. Since they had not really looked at doing everything, the team they had assembled had to really work to develop all of the projects on the list. In the meantime, they mailed a brochure to all patrons describing the things they were looking at doing and inviting them to a second meeting – approximately 45 attended. At the same time, parents were contacting them about safety issues. They had talked about a more secure entrance at the elementary, but the community was more concerned about the middle and high school. Once again, the team rolled up their sleeves and found a way to address their concerns.

The current high school roof was added over the original one. This needs to be removed and a new roof put on. The current roof is five years past warranty and needs to be addressed this summer because it is leaking. The project that generated the most discussion was the pool. It is original (1970) and the mechanical part is failing. They have been forced to spend increasing amounts of capital project money each year to maintain it. Now it has leaks. They have middle and high school swim teams that practice there. The community uses it for water aerobics and swim lessons. They train lifeguards and every student learns to swim in PE class. The community struggled with the options: bring it back to original levels but add ADA accessibility, upgrade the pool so they could host competitive meets including diving competition, tear it out and build a new one, or close it and fill it in. The local paper published an article that summarized these points. After much deliberation they decided to bring it back to the original level but add ADA accessibility.

They have been looking at the possibility of enclosing the courtyard in the high school. They are not using it at this time and it is difficult to maintain. It made sense to consider enclosing it as they put on a new roof. There was much discussion at the community meetings and at the board workshops. They have some safety concerns with overcrowding after school, but more importantly the high school lacks the space to have a larger room to meet with students,

administer testing programs, or meet with faculty. Tom Neff was given the challenge to make the space flexible.

Educationally, they have been discussing remodeling the science labs at the high school. These are the original labs. They do not support science education today, especially with the use of technology. Recently, they added the Advanced Life Science Academy to their curriculum. The ag department is teamed with science to deliver rigorous relevant science to 50% of students in grades 7-12. Program graduates have received numerous college scholarships. In the past two years with graduating classes of 64 and 78 students, 11 scholarships have been awarded to ag students. Half of the ag shop has been remodeled to put a small science lab there. The demand for these courses is putting an additional load on the science facilities. They also have original equipment in these labs.

The greenhouse and livestock facilities are part of the long range plan for their academy. They have spent several years working to develop the concept of an experimental/research program combined with some production agriculture. The plans call for a classroom and technology that includes wireless laptops that will support the rigorous science instruction. They do not have space for full day kindergarten. This project will add classrooms and create a safe environment for early childhood programs. They have redesigned the entrances so that anyone entering any of their buildings must pass through a reception area during the school day. The football bleachers are original and really need to be refurbished and made ADA accessible. The elementary windows are original to the building (1978) and they leak.

At the 1028 hearing, only about 15 people attended. Four people spoke – one to ask a question, two to support, and one to remind the board that they should consider retired community members as they looked at the tax impact, but then acknowledged that this project was “not bad.” The local newspaper had been covering two remonstrances of other projects in the county for several months. On the front page of one issue they told the patrons how to go about challenging the project. No one did. The Board spent several meetings working with the architect and staff, discussing the scope of the work while considering public input. With Mr. Day’s help, they looked at finance options and took into consideration the impact on the tax rate and the amount of interest to be paid. The community has participated in the development of this project. This project has the full support of the community, so they ask that the Control Board approve it.

Mr. Harris said that the loose equipment list was not included with the hearing information sheet. Mr. Harris asked if they have a list detailing that equipment. They responded that the only equipment is for the life science room and consists of mostly computers. They have a list and can send it to the DLGF.

Mr. Bronnert stated that their graduation rate is pretty good. Mr. Bronnert asked what they are doing to keep children in school. The Superintendent said their Principal is very focused on that. Research shows that if a child can form a relationship with an adult in the school then they are more likely to stay in school. They have plans to hire student counselors to work with the children.

Mr. Harris asked who will oversee the project. The Superintendent said her administrative assistant has a lot of experience in construction projects. Once the project is bid they may look into a general contractor.

Mr. Bronnert asked if the community has a problem with the eight cent rate impact. The Superintendent said that these are the projects that the people want them to do. They have been very supportive and have not objected to the financing or the scope of the project.

Motion: Mr. Mills made a motion to approve a lease rental agreement with maximum annual payments of \$850,000 for 18 years. Mr. Besinger seconded the motion, which carried by a vote of 8-0.

Greencastle Community School Corporation, Putnam County: Officials request approval of a lease rental agreement with maximum annual payments of \$303,000 for a term of 22 years. Total project costs are \$3,055,000. The tax rate impact is \$0.0500 with no new facility appeal expected. The common construction wage scale was passed by a vote of 3-1-1, with the Governor's representative abstaining from the vote and the Indiana AFL-CIO representative casting the dissenting vote. There was no application for a petition and remonstrance process. The total project cost per square foot of this remodel is \$14.94.

Present for the hearing was Robert Green, Superintendent; Robert Rud, Attorney; Bill Payne, Architect; Lonnie Therber, Financial Advisor; Jane Herndon and Kristin McClellan, Ice Miller.

Project: This project is all at the High School and is exclusively maintenance items and replacement of equipment. Included in the maintenance is elimination of window walls and repair and replacement of HVAC components.

Comments: The Superintendent said this is a remodel project that first came before the public ten years ago. The Board felt the remodel could wait so it was cut out of a plan several years ago. The Board has worked hard to keep rates low. It is not their intent to raise the tax rate. They are retiring old debt and will adjust other budgets, probably transportation, to keep the rate level. Greencastle high school opened in 1958. This project will replace the original 1950s window wells. They will also revamp the HVAC system. Air circulation is not good and has allowed mold to grow. They have had the EPA come in to monitor air quality. The EPA reported that they are not getting sufficient fresh air in the classrooms. They will need to replace some old carpet and tile, as well as replace some sections of drop ceiling. Lastly, they will be changing the entrance to the High School for security purposes.

Mr. Harris asked if the tax rate impact is two cents. The Superintendent responded that it will be about two and a half cents for the first five years. They are retiring common school debt that amounts to about two cents. Mr. Harris asked if they really expect that they will need to cut money from their transportation fund. Mr. Harris said he would recommend they do not make cuts to the transportation fund, but rather use a different fund if necessary.

Mr. Besinger said he understands they are trying to keep the tax rate level, but that it seems they are paying a lot in interest. The Superintendent said their financial advisor gave the Board some options and this is the option they chose.

Mr. Mills said he will not support this kind of financing because it is a sub-prime mortgage. Mr. Mills said another issue he has is that on page one of the Hearing Information Sheet they list current enrollment at 612 students and a capacity of 1,200. The Superintendent said the building was built to accommodate 1,200 students. This remodel will not increase student capacity. Ms. Herndon said that the capacity number is very difficult to determine. Mr. Mills said he still thinks the 318 square feet per student is too high. They said that number could possibly include the gymnasium. They house three special education programs with three other schools to make good use of the space.

Mr. Umbaugh asked if they looked forward to what kind of financing they will need in the future since this debt ends in 2018. The Superintendent said they have a master plan in place to replace the roofs on all of the schools and to remodel the elementary school in the future.

A Control Board member asked if they can provide something that details the interest costs and the financing options. Mr. Therber said that information is on the sheet that was provided that details the four financing options. A Control Board member asked how intensive the discussion was at the school board meetings to use capital project funds to finance the project. The Superintendent said they have done extensive projects using the capital projects plan, utilizing the pay-as-you-go method. If they did not need to borrow the money they would not be here today. A Control Board member asked if they have any wiggle room in the capital projects plan. The Superintendent said maybe a little, but they are saving that money for an emergency.

Mr. Umbaugh said it seems to him that they are stretching this project out too long. He said rescheduling the financing would decrease the term and save about \$150,000 to \$160,000 in interest per year.

Dr. Seger asked if they have any loose equipment. The Superintendent said most of the equipment is carpeting, tiles, technology and interactive marker boards.

Mr. Bronnert said they would like a detailed list submitted, especially for the technology equipment. Ms. Herndon said they can provide that information. The Superintendent said the technology would be for the new phone system. Ms. Herndon said they can also provide additional information on financing options.

A Control Board member asked what the time frame is for this project. They said the plan is to complete this project during the summer when the students are out of school. Ms. Herndon said the bids are not due until next week. Also, they will have to wait thirty days after the order is signed before they can sell the bonds.

Mr. Bronnert said he would like to congratulate them on their graduation rate and asked what they are doing to retain children. The Superintendent said they have changed the curriculum to help students. They are working hard with special education students by better training teachers.

They have started an after school tutoring system. The high school was having trouble with Principal turnover, but they feel they have that stabilized now. Mr. Bronnert asked if they have a comprehensive plan. The Superintendent said they have a plan for replacing roofs at all of the schools. The five year master plan is almost exhausted and it is about time to look into another five-year plan and to identify immediate needs.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$303,000 for 22 years. Dr. Seger seconded the motion, which carried by a vote of 6-2. Mr. Umbaugh and Mr. Besinger cast the dissenting votes.

Central Nine Career Center, Johnson/Marion County: Officials request approval of a lease rental agreement with maximum annual payments of \$800,000 for a term of 12 years. Total project costs are \$6,772,753. The tax rate impact is \$0.0076 with no new facility appeal expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote and the County Legislative Body Taxpayer Representative being absent. Each participating school corporations' portion of the issue fell below the threshold for a petition and remonstrance process. The 2007 construction thresholds do not apply because the building is a Vocational School.

Present for the hearing was Jerry Dunn, William Brown, and Paul Gabriel, Central Nine; Jane Herndon, Ice Miller; Nate Day, Financial Advisor; Roberta Jackson, Interim Director and Jerry Rolfson, OMS.

Project: Participating school districts are Beech Grove, Center Grove, Clark Pleasant, Franklin Community, Franklin Township, Greenwood, Nineveh Hensley Jackson, and Perry Township. The cost will be shared by the school districts based on each district's percentage of the total assessed valuation for all districts. Central Nine provides relevant career and technical education to 950 secondary students a year and academic subjects to 200 academic academy students.

The center's buildings are growing older and have needs for new roofs, updated electrical service and lighting, replacement of HVAC, energy efficient windows, handicapped accessibility, and structural repairs. Buildings in most need of upgrade are A&B (34 years old), C (28 years old), D (20 years old), and E (14 years old). A small addition to building A will include Health Science labs, classrooms, a large group instruction room, culinary facilities, and a Counseling Center.

This project will provide new and updated programs and academies, such as Advanced Manufacturing, expansion of Health and Life Sciences (dental, medical assistant, bio-technician), Digital Media, Entrepreneurship, TV Production, and Law Enforcement. The project will also provide enhanced services for students through implementation of a testing center and resource/remediation lab for skills enhancement, expanded dual credit opportunities, the Technical Honors Diploma and WorkEthic Certification.

Beech Grove's share of the project: \$262,163; Greenwood's share of the project: \$634,593; MSD Perry's share of the project: \$1,998,205; Center Grove School's share of the project:

\$1,287,368; Clark Pleasant School's share of the project: \$594,125; and Franklin Twp. School's share of the project: \$1,088,544

Comments: The Superintendent said Central Nine is a cooperative career and technical education center. They have juniors and seniors from nine high schools, although one high school is electing out next year. They have 23 programs and also do academic programs and a credit recovery and remediation program. They strive to be cost effective. Employers participate with the Center so graduation rates are high. They offer dual credit with Vincennes University. All Johnson County schools participate, with the exception of Edinburgh.

New programs will be added as a result of this project. Central Nine uses a campus approach. Two of their buildings are 34 years old, one is 20 years old, and another is 14. There have been no major renovations to the buildings. This project will address roofing, restrooms, electrical/lighting, technology infrastructure, brick repair, fire protection per code, and so forth. They will not be replacing furniture or equipment with this project. There will be new construction to the largest building on the campus, which is Building A. It will add a health wing, which will allow them to offer new dental, medical, and bio-medical assistant programs. A seminar room will be added to accommodate seventy-five students. Counseling and placement rooms will be added. Culinary classrooms, storage, and a restaurant-meeting room will be added, and will also be used by the community.

The Central Nine Board has approved the project, and all eight participating school corporations' boards have also approved the project. Two of the participating school corporations (Franklin Community and Nineveh-Hensley-Jackson) are paying their share in cash. The initial tax rate will be the same in each district and is estimated to be three quarters of a cent. They had a pre-meeting with Mr. Harris and Mr. Dart from the Department of Local Government Finance to clarify that each individual district's share would be used for the determination of petition and remonstrance eligibility.

Ms. Herndon said each school corporation went through each step of the process as if they were applying for the debt, even though each portion is less than \$2 million. Because each portion is under \$2 million it was their interpretation that they would not have to go through the petition and remonstrance process. That was the purpose of their pre-meeting with the DLGF, to reach an agreement on that interpretation.

Mr. Mills asked what the total student participation and the FTE is. The Superintendent said the total student participation is right around 1,100. Of that 200 are academic students and 900 are career track students. The total FTE is 550.

Mr. Umbaugh commented that if each school did this individually the costs would be a lot higher.

Ms. Hineline asked what is included in loose equipment. The Superintendent said a large part is technology. They are currently working on the exact list, but it should not exceed \$300,000.

Mr. Bronnert asked if Mr. Harris could elaborate on what was said in the pre-meeting. Mr. Harris said it was basically a meeting to discuss how they would present this issue to Control Board. They suggested that each school advertise individually so that no one was left out of the objection process. Mr. Bronnert asked if there is any type of contract that will require each school to pay their portion. Ms. Herndon said that the lease agreement requires each school to pay. If for some reason one school would not be able to make a payment the other schools would be able to cover that payment. There is nothing in statute currently that addresses this issue. Mr. Bronnert asked if the culinary program currently serves the community to show the result of students' training. The Superintendent said right now they hold meetings, but they have no restaurant where they can serve the community. Mr. Bronnert asked if they are building this. The Superintendent said they are building a restaurant which will also serve as a banquet facility, and they are building classrooms because they do not currently have any. They do a lot of catering.

Motion: Ms. Hineline made a motion to approve a lease rental agreement with maximum annual payment of \$800,000 for 12 years. Mr. Umbaugh seconded the motion, which carried by a vote of 8-0. Mr. Umbaugh made a motion to approve the Beech Grove portion of a lease rental agreement with maximum annual payment of \$36,000 for 12 years. Mr. Besinger seconded the motion, which carried by a vote of 8-0. Mr. Umbaugh made a motion to approve the Center Grove portion of a lease rental agreement with maximum annual payment of \$177,000 for 12 years. Mr. Besinger seconded the motion, which carried by a vote of 8-0. Mr. Umbaugh made a motion to approve the Clark Pleasant portion of a lease rental agreement with maximum annual payment of \$81,000 for 12 years. Mr. Besinger seconded the motion, which carried by a vote of 8-0. Mr. Umbaugh made a motion to approve the Franklin Township portion of a lease rental agreement with maximum annual payment of \$275,000 for 12 years. Mr. Besinger seconded the motion, which carried by a vote of 8-0. Mr. Umbaugh made a motion to approve the Greenwood portion of a lease rental agreement with maximum annual payment of \$88,000 for 12 years. Mr. Besinger seconded the motion, which carried by a vote of 8-0. Mr. Umbaugh made a motion to approve the MSD Perry Township portion of a lease rental agreement with maximum annual payment of \$275,000 for 12 years. Mr. Besinger seconded the motion, which carried by a vote of 8-0. Mr. Umbaugh made a motion to amend the Franklin Township portion of a lease rental agreement with maximum annual payment of \$150,000 for 12 years. Mr. Besinger seconded the motion, which carried by a vote of 8-0.

MSD of Mt. Vernon, Posey County: Officials request approval of a lease rental agreement with maximum annual payments of \$2,360,000 for a term of 12 years. Total project costs are \$18,200,000. The tax rate impact is \$0.1700 with a new facility rate impact of \$0.0090 expected. The common construction wage scale was passed with the Governor's representative absent from the vote. There was no application for a petition and remonstrance process. The total project cost per square foot is about 30% below the 2007 DLGF baseline for both addition projects.

Present for the hearing was Keith Spurgeon, Superintendent; Tom Kopatich, Assistant Superintendent; David Frye, Director of Building and Grounds; Beth McFadin Higgins, School Board Member; George Link, Architect and Jane Herndon, Ice Miller.

Project: The school district is proposing renovations and improvements to Farmersville and West Elementary Schools. These improvements include improved building security, traffic flow and parking, improved/expanded classroom technology, rooms for full day kindergarten and expanded areas for Gifted and Talented, Special Education, and other remedial programs, separate gym/cafeteria space as well as separate Art/Music space at Farmersville, expanded library facilities and work areas for teachers, two additional regular classrooms at West to restore the building to a three section elementary, and normal remodeling needs (HVAC, windows, plumbing, electrical). This project developed out of a list of needs that was determined by a broad based committee of community, business, and school personnel. Half of the committee members were community and business members. This committee toured all the buildings and studied the needs at Farmersville and West to create the list that was recommended to the School Board.

Back in 2001, the District tried to pass a remodeling project. The community at that time did not support that project. There seemed to be two major reasons why the community could not support the project. First, they felt the project was too large. In addition to remodeling the elementary schools, other areas such as HVAC at the High School and improvements to athletic facilities were also proposed. They heard time and time again from individuals that while they could not support such a large project, they could support a project that just remodeled the two elementary schools. That is exactly what the District proposes to do at this time.

The other concern they heard is that taxpayers did not want to see taxes increase. They now have a “window of opportunity” in which they can do just that. The new debt for this proposed project will be incurred in 2008. At that same time an existing debt of \$42 million will be retired. The new debt will be less than half of the old debt. Not only will debt service taxes not increase, they will actually go down at the new debt will be substantially less than the old debt.

Comments: The Superintendent said they started talking about this project about seven years ago. In 2000 the feasibility committee recommended remodeling two elementary schools, which is the project they are bringing today. The committee also recommended remodeling the Booker T. Washington building into an alternative school, building new district offices, improving HVAC at the high school and building group instructional area, improving athletic facilities, restrooms, storage, and concessions. This proposal lost three to one in the petition and remonstrance process. They heard from the public that they only supported remodeling the elementary schools and did not want to see other items included in the project. A design oversight committee was formed to see what was needed at the two buildings. Everyone who spoke at the 1028 hearing was in favor of the project. In 2008 a \$42 million debt will be paid off. This project costs \$18.2 million, so the tax rate will be reduced by about eleven cents.

This is a basic remodel with nothing fancy being done. The two buildings were built in 1958. Special education space will be increased. This project will help in preparing for full-day kindergarten. The added space will not actually increase capacity because they are going from half-day to full-day kindergarten. They will be working on making the buildings more energy efficient and will be addressing safety issues. The total projected cost is \$18.2 million with a ten year payback. The overall impact to the debt service fund will be a decrease of eleven cents.

Mr. Mills asked how this project will address their future needs. The Superintendent said this will pretty much bring them up to date. They have four elementary schools. One was remodeled in the mid-1990s. The junior high school was built in the 1990s.

Mr. Bronnert asked if they have a power plant in their district. The Superintendent responded yes.

Mr. Mills asked if they have a new ethanol plant. The Superintendent said yes, they have some new contracts and are gearing up again. Three are being proposed to be built in the county.

Mr. Harris asked what the vote was on March 5, 2007. The Superintendent said the vote was unanimous. Mr. Harris said they need to submit an equipment list. The Superintendent said there are not a lot of items, but it will basically be for technology. They are looking at putting interactive white boards in the classrooms.

Mr. Umbaugh said he is happy with the ten year financing.

Mr. Bronnert asked what they are doing to improve the graduation rate. The Superintendent said they are creating a bus route to transport kids to vocational school. They have seen a dramatic increase in vocational participation. In addition, they are looking at starting early with junior high students. Mr. Bronnert said their ISTEP scores look pretty good, but their student to teacher ratio is 15:1 where most schools are 20:1. The Superintendent said they have been very cognitive of that over the years. They expect that ratio will creep up over the next few years as teachers retire and they receive less state support. Mr. Bronnert asked if the student growth rate has been static. The Superintendent said it is predicted to go down over the next few years. The need to remodel these buildings is not due to growth, but is due to the fact that the buildings are over fifty years old.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$2,360,000 for 12 years. Ms. Hineline seconded the motion, which carried by a vote of 8-0.

Lafayette School Corporation, Tippecanoe County: Officials request approval of a lease rental agreement with maximum annual payments of \$3,389,000 for a term of 22 years. Total project costs are \$40,500,000. The tax rate impact is \$0.1300 with a new facility rate impact of \$0.0080 expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote. There was no application for a petition and remonstrance process. The total project cost per square foot of the Lafayette Jefferson High School addition is 36.71% below the DLGF benchmark. The total project cost per square foot of the Sunnyside Middle School addition is 8.48% below the DLGF benchmark.

Present for the hearing was Dr. Ed Eiler, Superintendent; Bob Forene, Deputy Superintendent; Lonnie Therber, Financial Advisor; Greg Eller and Bob Stwalley, Board of Trustees; Steve Habben, Construction Manager and Kevin Little, Director of Facilities.

Project: The Lafayette School Corporation proposes to construct a new fifth and sixth grade middle school, provide or upgrade security cameras in all schools, add classrooms, practice rooms, and storage space as well as renovate existing space in the musical and theatre area of Jefferson High School.

For over a quarter of a century the Lafayette School Corporation has had a practice of utilizing community task forces to examine critical issues regarding school programs, school grade level organization, attendance boundaries, and school facilities. A series of actions have flowed from the work of the task force. Under the options developed by the task force four schools were identified for closure. Three have already been closed as elementary schools. The fourth will close following the completion of the work at Sunnyside. Durgan Elementary is used completely by pre-school programs. Washington Elementary is used completely to house a high school alternative school aimed at reducing the number of students identified as dropouts, an adult school for adults seeking a GED or English language proficiency, a CAPE grant aimed at pre-school family literacy, and our area's public schools foundation. Linnwood is used entirely to house the special education co-operative's preschool programs, as well as elementary, middle, and junior high school alternative school programs for short and long term out of school suspension or for junior high school students who have been expelled from regular school attendance. Revenues from these programs pay for the operating expenses of these facilities.

Sunnyside is a key piece to the district's overall long range plan. When completed, the school will house fifteen percent of the total student population in the school corporation. Much of the infrastructure of Sunnyside is original. The desire is to create a facility that will meet the needs of the next half century just as the present structure has done for the past half century.

Approximately six hundred students or thirty percent of the student body are enrolled in the music programs at Jefferson High School. This level of interest has been the norm for the high school for many years. The music and theater area was built in 1968 and is totally inadequate to meet the space and curricular needs of the high school. The program has expanded to the extent that it uses spaces designated for and needed by other curricular areas both at the high school and the neighboring junior high school. There are a myriad of issues with the existing facility that are detailed in the accompanying materials, everything from having secure storage area for instruments, to storage for costumes, to the need for a lab for piano keyboards used in the composition and theory classes. The Lafayette community supports the arts and in particular the arts programs at Jefferson High School. Understanding the need for additional space, Mr. Bob Rohrman, a local businessman and Jefferson High School alumnus, has donated 3.5 million dollars towards the project.

The last portion of the project addresses the need to install or upgrade security cameras in the school buildings. The community has seen an increase in gang behavior. Thefts, break-ins, disruption of school due to the repeated pulling of fire alarms, confrontations between students, and other alleged misconduct of students are an increasing problem. It is impossible to properly supervise many areas of the buildings twenty-four hours a day seven days a week. They are asking permission to install or upgrade the security cameras used in the schools.

In designing Sunnyside they have made the decision to keep existing gymnasiums and auditorium spaces so the focus of the project is on the regular academic classroom space needed. They have received a private contribution to assist with the addition and renovation needed at Jefferson High School. As an example of stewardship, they have not issued nor do they intend to issue pension bonds.

Comments: Mr. Umbaugh said he did not receive a combined debt service schedule. Mr. Therber said he turned in a schedule. Mr. Umbaugh said the other issue he has is that the Hearing Information Sheet shows capitalized interest of \$1.1 million, but the amortization schedule shows \$3.4 million. Mr. Therber said the combined debt schedules shows the \$1.1 million.

Mr. Bronnert asked if they had debt expire in the last couple of years. Mr. Therber said he does not think so.

The Superintendent said they have come to ask permission for multiple projects in Lafayette Schools. The first project is replacing an academic wing at the middle school and adding additional classrooms. This project will address security issues in all schools by adding security cameras. They will also renovate music and art theater areas at Lafayette Jefferson High School. They have a history of using task forces to identify critical areas within the schools. Considering all available options they have decided to replace the academic wing at Sunnyside, go forth with adding security systems, and renovate the music and theater area at Lafayette Jefferson High School. Over 600 students are actively engaged in the music and theater program at the high school.

The total scope of the project is around \$44 million. They have received contributions from the community of about \$10 million. Lafayette is the smallest community in America that has its own national TV affiliate (CBS), so the project received really good coverage. They believe the community supports this project.

Mr. Umbaugh said page eight of the Hearing Information Sheet needs to be filled out and turned into the Commissioner for review.

Mr. Bronnert asked if the increase in the tax rate has been accepted. The Superintendent said yes, he believes so. There was a discussion about the term of the lease and the impact. Mr. Bronnert asked if they have a long range master plan. The Superintendent said the next major project will be addressed in the next twelve years. The High School will be fifty years old in 2018. The elementary school was designed with the understanding that the National Home wing would be demolished.

A Control Board member asked if some of the twenty-two music rooms at the high school are used as practice rooms. The Superintendent responded yes. A Control Board member asked how large the larger rooms are. They said the band rooms are probably 1,500 square feet.

Mr. Bronnert said SAT scores are pretty good for those who go on to college, but it seems the other students are dropping out. ISTEP scores have decreased. Mr. Bronnert asked if this

project will address these problems. The Superintendent said since he came to the school corporation in 1973 they have seen increasing free and reduced lunch, increasing poverty, and an increase in limited English speaking groups. They have high mobility in the school corporation. Of the students that are not graduating, half of them enrolled at the high school level. Thirty-four students at the high school are currently pregnant. They have seen an increase in gang activity in the community, which is why they are adding security equipment. They are working to reduce mobility by restructuring grade configurations.

A Control Board member asked what percentage of the project is for fine arts. They said \$6 million of the total \$40 million is for fine arts.

Mr. Harris asked if they received \$10 million in private contributions. The Superintendent said they received \$3.5 million for this project, but have received a total of \$10 million including contributions for past projects.

A Control Board member said his concern is that in looking at their ISTEP scores there should be more emphasis on academics. The Superintendent said their students are engaged in fine arts and music. There are two pages on the school's website that details how they are addressing academic issues.

Mr. Bronnert asked if this is a demolition and re-building project. The Superintendent said they are saving the gym and the cafeteria and demolishing the Home Life wing.

Dr. Seger said they need to submit a list of loose equipment.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$3,389,000 for 22 years. Mr. Nemeth seconded the motion, which carried by a vote of 6-1. Mr. Besinger cast the dissenting vote and Mr. Mills was absent.

Mr. Umbaugh presented financing options to reduce capitalized interest. A general discussion on financing followed.